



2023 – 2026 BUSINESS PLAN

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ABOUT US



OUR STORY

For thirty years, Albertans have proven their commitment to the environment through enduring support and participation in our recycling programs.

Since 1992 the Alberta Recycling Management Authority (ARMA) has proudly and responsibly managed some of the province's major recycling initiatives. Through this process, we have secured valuable relationships with a multistakeholder board, four industry councils, over 5,300 registered suppliers and producers, and 27 recyclers. Additionally, we have 157 municipal and Indigenous communities who manage 440 electronics, paint, tire, and used oil materials collection sites throughout the province, equipping Albertans to do the right thing and recycle their end-of-life products instead of throwing them away.

As we approach our 31st year of operations, we recognize the partnerships that have formed the foundation of our organization—which continues to thrive—giving Albertans some of the best recycling programs in Canada, while positively impacting the economy with over 1,500 FTE and \$180 million annually in Gross Value Added (GVA). We also acknowledge several achievements that have helped make ARMA a vital presence on the province's environmental landscape including:

- Diverting 11.2 million electronics, 31.5 million litres of paint, 137 million tires, and over 1.9 billion litres of used oil from Alberta's landfills.
- Completing the ePilot which provided valuable insights into what material streams could be further targeted to achieve circularity and shaped our recommendations for expansion. These recommendations have been presented to the provincial government, and while this is being reviewed, our ePilot has been extended to permit the continued collection and processing of material.
- Completing the consultations with industry associations and other stakeholder organizations regarding the expansion of the Used Oil & Materials program which shaped our recommendations for the program expansion. These recommendations have been presented to the provincial government and we continue to work with them on the proposal.
- Creating a solar panel recycling group and establishing Canada's first set of solar panel recycling standards and diverting over 1,900 panels from landfill.
- Educating municipalities on the benefits of tire-derived aggregate—an engineered product—and facilitating grants for its use as a drainage blanket in leachate collection systems in place of conventional aggregate, a non-renewable resource.

- Awarding 25 Alberta Municipalities with recycled plastic park benches as part of our 30th-anniversary celebration.
- Developing a new website with an enhanced Depot Finder to better serve the needs of Albertans and aid them in their accessibility and knowledge of recycling.
- Implementing ARMA Connect, our transformational new software program that replaces our old core databases for the administration of environmental fee revenue, recycling incentive claims, and collection site claims. This implementation signals a critical investment in IT infrastructure to increase operational efficiency and equip our organization to grow and evolve.
- Examining and restructuring our governance model to ensure that we are nimble and able to continue to evolve and take on new responsibilities and initiatives.
- On October 3, 2022, it was announced that ARMA would be the oversight body for the province's Extended Producer Responsibility (EPR) regulation which supports two product streams: Single-use Products, Packaging and Paper Products (PPP), and Hazardous and Special Products (HSP). Alberta's EPR regulation (194/2022) shifts the cost of recycling from municipalities to industries that produce products. This approach will support a plastics circular economy to help us better manage single-use plastics and other recyclable materials, and reduce greenhouse gas emissions by about 72,000 tonnes.

While these are undoubtedly tremendous accomplishments, there is so much more to do as we move forward.

Working from our strong foundation, ARMA is as committed as ever to fulfilling our vision of **Inspiring A Future Without Waste** and building a strong, robust circular economy. This ambitious vision is what is needed to continue fostering creativity, leadership, and enhanced performance. Within this space we will continue collaborating with innovators and entrepreneurs to advance our existing stewardship programs while expanding into the oversight of EPR, building a high-value circular economy where ingenuity creates local jobs and extends our value beyond Alberta's borders while reducing our environmental impacts.

WHO WE ARE

Alberta Recycling Management Authority (ARMA) is a not-for-profit organization incorporated under the Societies Act. As a Delegated Administrative Organization, ARMA is accountable to the Government of Alberta Minister of Environment and Protected Areas through its Business Plan and Annual Report.

STEWARDSHIP

The Designated Material Recycling and Management Regulation (the Regulation) authorizes ARMA to levy and collect Surcharges (environmental fees) on the sale or supply of designated material in or into Alberta. These funds are to be used to provide or pay for any or all of the following components regarding designated material:

- Waste minimization and recycling programs;
- Public information programs for the promotion of waste minimization and recycling programs;
- Expenditures on collection, transportation, storage, processing and disposal;
- Research and development activities;
- Promote the uses of recycled materials and products.

ARMA is authorized to manage four Designated Materials—electronics, paint, tires, and used oil materials—through a process called multi-material stewardship. Fundamental to this process is ensuring that the financial resources, including environmental fee revenue for each designated material program, are managed independently, while at the same time realizing the synergies and cost-effectiveness of operating under a single organization.

In addition to its environmental stewardship mandate, ARMA meets its obligations under the Societies Act through its bylaws and governance regulation. ARMA formally reports to its membership through an Annual Report and Annual General Meeting.

OVERSIGHT

The Extended Producer Responsibility Regulation (the Regulation) authorizes ARMA to be responsible for the administration and oversight authority of the following designated materials:

- Single-use Products, Packaging, and Paper Products (PPP); and
- Hazardous and Special Products (HSP).

In addition to its regulatory oversight, ARMA meets its obligations under the Societies Act through its bylaws and governance regulation. ARMA formally reports to its membership through an Annual Report and Annual General Meeting.

We are currently in a transitional period with the government on the next steps surrounding EPR—including model bylaws—in order to fulfill objectives and goals as an oversight body.

OUR VISION

INSPIRING
A FUTURE
WITHOUT
WASTE

OUR MISSION

To be an inspiring partner and a respected steward of the environment:

We will be a leader in recycling and waste minimization best practices and innovation in an effort to make the world a sustainable place.

We believe every place should be left better than we found it:

We will inspire Albertans to waste less, teach them to use products in different ways, and help them partner with others who share our passion.

Keeping our environment clean is a shared responsibility:

We will educate Albertans, support and contribute to best practices, and will be a responsible, trusted, and transparent partner in the global effort to reduce waste.



STRATEGY



STRATEGIC FOCUS

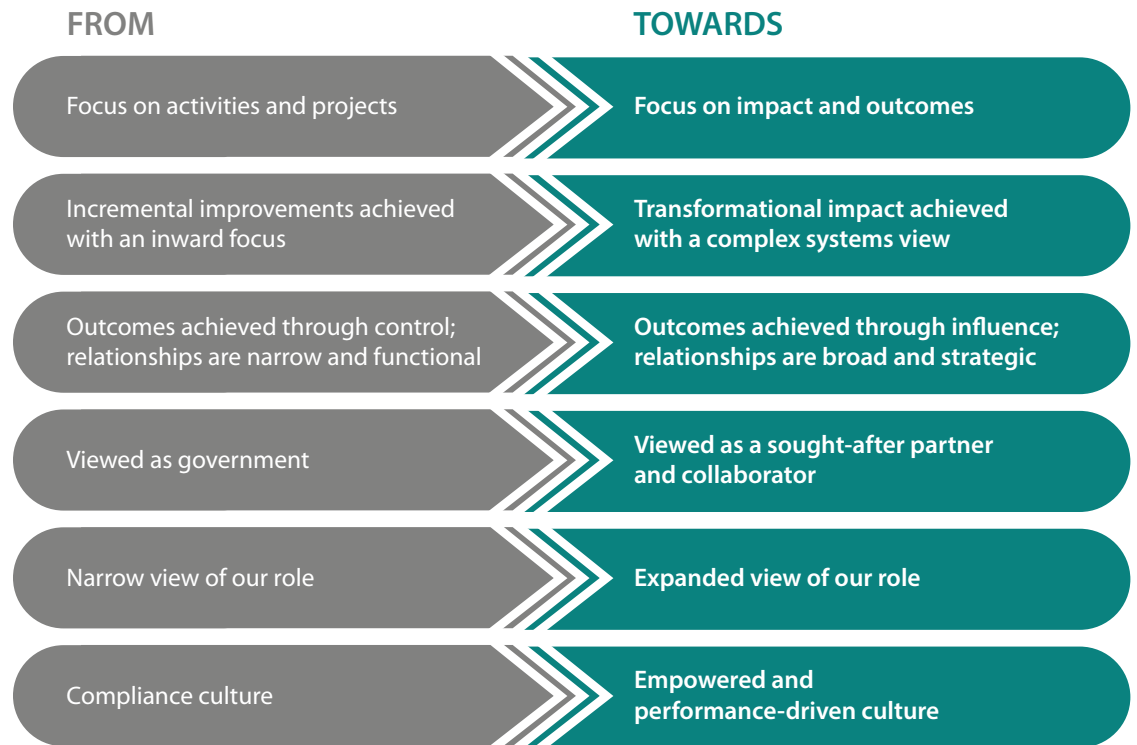
To provide direction to the annual business planning process, the Board of Directors and Senior Leadership developed a strategic focus that expands on the current priorities and incorporates EPR oversight, while keeping avenues open for discussion and research.

While ARMA has always sought to uplift the environmental performance of Alberta's waste ecosystem, we know that regulation alone is not sufficient to attain the best environmental outcomes.

Our revised strategic plan revolves around repositioning, growing, and building on a proud history of delivering stewardship programs, while standing up EPR and becoming an administration and oversight authority.

Building and developing our capacity as a modern, effective, and trusted oversight authority will be a priority in the next two years. Our emerging philosophy as a delegated oversight authority (on behalf of the province) will be based on a view that ARMA must focus on objectives and expected environmental outcomes and then consider the most innovative, efficient, and effective method of supporting and achieving compliance.

To maximize our influence and impact in a complex and evolving environment, we are committed to a number of strategic choices that will produce transformational change defined by the following shifts.



STRATEGIC PRIORITIES

ARMA's strategic playing field is defined by the following:

1. **Embrace the responsibility of EPR Oversight.**
2. **Expand existing stewardship programs in electronics and used oil.**
Expanding these programs will ensure we permanently divert more materials from landfill.
3. **Explore opportunities in future waste streams (solar, electric car batteries, agricultural plastics, etc.).** Continuing to investigate future waste streams will contribute not only to environmental outcomes but also to our (and Alberta's) aim of leading in the creation and adoption of new innovation.
4. **Adopt a leadership role in public and stakeholder education.**
We can influence the waste ecosystem and meaningfully contribute to inspiring a future without waste by engaging and educating Albertans and stakeholders on provincial recycling programs to ensure more material is recycled.
5. **Continue to deliver and optimize legacy programs.**
Until the time that legacy programs are ready to evolve, we will continue to improve their effectiveness.

ARMA's plan is intended to achieve outcomes in **Impact, Reach, Innovation, and System Leadership.**

IMPACT

- Measured by efficiency, effectiveness, and recovery rates
- Answers the question: Are we reaching key environmental outcomes?
- Measured by kg. per capita, recovery rate, capture rate, and others

REACH

- Measured by accessibility and awareness
- Answers the question: Are we inspiring and creating impact on a large enough scale?

INNOVATION

- Measured by number and impact of innovation partnerships
- Answers the question: Are we leading the system level change, improvement, and innovation?

SYSTEM LEADERSHIP

- Measured by industry awareness and satisfaction
- Answers the question: Are we recognized as a leader and sought-after partner?



PERFORMANCE MEASURES





TIRES - STEWARDSHIP

BACKGROUND

Alberta has the second oldest tire recycling program in Canada with its establishment in 1992. The numbers tell the story with over 137 million tires recycled to date and while this program is firmly embedded in Albertans' lives, ARMA continues to ensure that this mature program remains sustainable, diverting all available end-of-life tires from the landfill. The tires are processed in Alberta—by ARMA-approved recyclers—into products such as tire-derived aggregate (an engineered cost-effective alternative to conventional aggregate), rubber crumb for top dressing in sports fields or used as feedstock for manufactured products.

STRATEGIC PRIORITIES

One of the Board's strategic priorities (set in 2021-22) was to adjust the environmental fee on medium truck tires (MTT)—tires designed for use on highway tractor trucks, commercial trucks, buses, larger RVs, and trailers. The \$9.00 rate for MTT was set in 2011. With the support of the tire industry and the Minister of Environment and Protected Areas, the fee on MTT was increased to \$14.00 on April 1, 2022, to bring the fee closer to what it costs to collect and recycle this type of tire.

ARMA is currently working with a third party to conduct an incentive review of our stewardship programs to provide guidance and recommendations for their continued evolution.

1992





TIRES - STEWARDSHIP

	TOTAL COLLECTED (ALL TIRE TYPES)	KG. PER CAPITA	RECOVERY RATE FOR PLTT, MTT, AND SIO TIRES *	RECOVERY RATE FOR OFF-THE- ROAD-TIRES
2022/23 Forecast	75,863	16.76	96%	75%
2023/24 Target	74,232	16.24	95%	74%
2024/25 Projection	74,296	16.09	94%	75%
2025/26 Projection	75,039	16.09	95%	76%

**Passenger and Light Truck Tires (PLTT), Medium Truck Tires (MTT), Specialty, Industrial and Other Tires (SIO).*

***The goals of the programs include increasing recovery rates over time. In mature programs, fluctuations may occur over shorter periods. These fluctuations are created by market forces impacting the sales of new products and disposals of end-of-life products differently and with different timing.*

See definitions on page 22 for KG. PER CAPITA and RECOVERY RATE.





ELECTRONICS - STEWARDSHIP

BACKGROUND

In 2004, Alberta launched the first electronics recycling program in Canadian history with computer equipment, TVs, and some office equipment. Albertans' support and participation in this program have been firmly established with over 11.2 million electronics recycled by six companies registered with ARMA. Collectively the millions of electronics have generated over 13,000 tonnes of electronics that have been recycled.

STRATEGIC PRIORITIES

Building on the legacy of the electronics program, the expanded electronics pilot project (ePilot) is a Board-directed strategic priority supported by the Minister of Environment and Protected Areas and launched in 2020 to accept six additional categories of electronics. The ePilot—which has been extended by Ministerial Order—provided valuable data regarding the types of devices being recycled in the project which helped us to create a robust report and recommendations on the expansion of the electronics recycling program, which we are working closely with the provincial government on.

Municipalities have embraced the ePilot with 440 collection sites accepting an additional 500 different types of electronics at their collection sites. This has resulted in the registered recyclers—who pick up this material from collection sites—processing over 10,200 tonnes since the start of the project in September 2020 at their Alberta-based facilities.

Innovation is a key component of the project, demonstrated by our study on solar panels for which there is currently no set of recycling standards in Canada. ARMA is working with a committee of experts who understand the complexities of handling this material to help determine the feasibility of recycling and reusing this product, which has already diverted over 1,900 panels from landfill.

ARMA is currently working with a third party to conduct an incentive review of our stewardship programs to provide guidance and recommendations for their continued evolution.

2004





ELECTRONICS - STEWARDSHIP

	TONNES*	KG. PER CAPITA	RECOVERY RATE
2022/23 Forecast	8,493	1.88	34%
2023/24 Target	8,125	1.78	33%
2024/25 Projection	8,044	1.74	32%
2025/26 Projection	7,963	1.71	31%

**The targets and projections measure program material only; see the paragraph above for reference to ePilot material.*

***The goals of the programs include increasing recovery rates over time. In mature programs, fluctuations may occur over shorter periods. These fluctuations are created by market forces impacting the sales of new products and disposals of end-of-life products differently and with different timing. Weight-based recovery of electronics materials continues to decline over time as technology advances have significantly altered the composition, size and weight of electronic products.*

See definitions on page 22 for KG. PER CAPITA and RECOVERY RATE.





PAINT - STEWARDSHIP

BACKGROUND

Launched in 2008, the paint recycling program has been consistently utilized by the general public and businesses alike with 31.5 million litres of paint and 7.1 million spray paint cans recycled since program inception. As of 2015, ARMA formalized the tracking of recycling for metal and plastic cans, and since that date over 1,700 tonnes has been processed.

In April 2021, an increase to the environmental fees on the sale of eligible paint products, the first adjustment in 12 years, brought the fees in line with current market and economic conditions. The 360 registered paint collection sites—comprised of municipalities and Indigenous communities—benefited from this fee adjustment as increases were made to their collection site grant to help them manage this material, ensuring they no longer bear the cost of collecting leftover paint products.

Made-in-Alberta solutions address the handling of leftover latex paint with an approved recycler who processes it into new paint. If the latex is found to be solid or semisolid, it does not need to be landfilled but rather is used as feedstock in cement manufacturing. Leftover oil-based products such as stains and finishes are used in fuel blends to provide an alternative fuel source.

Plastic containers are recycled into moulded products and metal containers are recycled into industrial products such as rebar.

STRATEGIC PRIORITIES

In 2023-24, commercial paint roundups will continue in the major centres of Edmonton, Calgary and Red Deer as these dedicated annual events help paint contractors and businesses ensure there is no limit to the amount of leftover material they can bring in at no charge.

In the spirit of ARMA's vision of inspiring a future without waste, the Board has directed administration to develop an education program that addresses paint purchasing practices, focused on 'buying what you need' to reduce excess leftover paint that may go unused. Additionally, administration will begin the process of requesting government support to consult with industry on amending the Paint and Paint Container Recycling Regulation to include industrial paint.

ARMA is currently working with a third party to conduct an incentive review of our stewardship programs to provide guidance and recommendations for their continued evolution.

2008



PAINT - STEWARDSHIP

PAINT AND COATINGS PROCESSED	KG. (MILLIONS.)	LITRES* (MILLIONS.)	KG. PER CAPITA	RECOVERY RATE	CAPTURE RATE
2022/23 Forecast	2.91	2.43	0.64	9.9%	82.2%
2023/24 Target	2.90	2.41	0.63	9.7%	80.8%
2024/25 Projection	2.90	2.42	0.63	9.8%	81.3%
2025/26 Projection	2.92	2.43	0.63	9.9%	82.2%

**Based on an average weight per litre of 1.2kg.*

AEROSOL PAINT CANS PROCESSED	UNITS	RECOVERY RATE
2022/23 Forecast	866,615	21.1%
2023/24 Target	779,953	18.4%
2024/25 Projection	740,956	17.6%
2025/26 Projection	748,365	17.8%

PAINT AND COATING CONTAINERS PROCESSED	METAL (KG.)	PLASTIC (KG.)	TOTAL (KG.)
2022/23 Forecast	383,911	266,111	650,022
2023/24 Target	383,911	266,111	650,022
2024/25 Projection	386,783	268,727	655,510
2025/26 Projection	389,684	271,369	661,053

***The goals of the programs include increasing recovery rates over time. In mature programs, fluctuations may occur over shorter periods. These fluctuations are created by market forces impacting the sales of new products and disposals of end-of-life products differently and with different timing.*

See definitions on page 22 for KG. PER CAPITA, RECOVERY RATE and CAPTURE RATE.





USED OIL & MATERIALS - STEWARDSHIP

BACKGROUND

ARMA has been overseeing this program, which was originally established in 1997, since responsibility for it was transferred to the organization in October 2018 by the Government of Alberta. Over 1.9 billion litres of used oil have been recycled along with 160.6 million filters and 44.5 million kilograms of containers.

High-quality used oil is re-refined into new lubricating oil. Filters are crushed (with the residual oil captured) and processed into industrial metals. The containers are pelletized and used as feedstock for new plastic products such as composite lumber, fence posts and parking curbs.

In 2019 ARMA began registering municipal and Indigenous collection sites in the program. There are currently 219 sites registered, receiving signage from the program to help direct their residents to safely leave their leftover used oil materials for recycling and assistance as needed for pickup of materials from 12 ARMA-registered processors.

STRATEGIC PRIORITIES

In 2021-22 ARMA received confirmation from Alberta Environment and Protected Areas to conduct a consultation with industry associations and other stakeholder organizations regarding the expansion of the program to include the following:

- Diesel Exhaust Fluid (DEF) containers,
- Glycol/Antifreeze concentrate and pre-mix,
- Glycol/Antifreeze containers,
- Brake fluid containers,
- Aerosol containers for brake cleaner, automotive parts cleaner, and lubricant, and
- Windshield washer fluid containers.

The program expansion is also focused on Increasing the maximum container size in the program from 30L to 210L. The recommendations of this consultation have been submitted to the provincial government and we are working closely with them on the next steps.

ARMA is currently working with a third party to conduct an incentive review of our stewardship programs to provide guidance and recommendations for their continued evolution.

2018



USED OIL & MATERIALS - STEWARDSHIP

USED OIL RECOVERED	LITRES* (MILLIONS)	KG. (MILLIONS)	KG. PER CAPITA	CAPTURE RATE
2022/23 Forecast	79.69	69.33	15.32	69.0%
2023/24 Target	83.68	72.80	15.93	71.7%
2024/25 Projection	84.60	73.60	15.94	71.8%
2025/26 Projection	85.49	74.37	15.95	71.8%

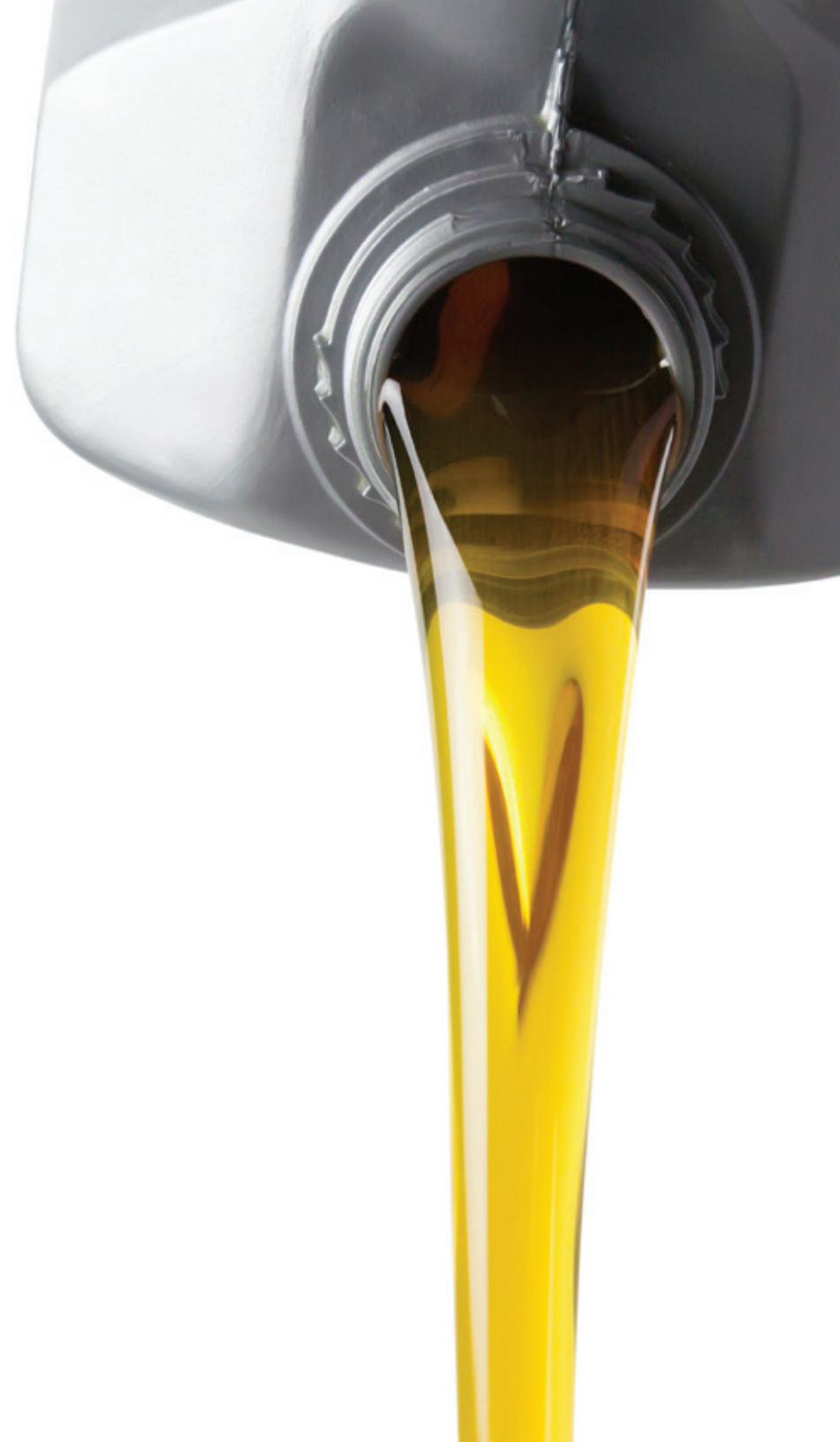
*Based on an average weight per litre of 0.87 kg.

FILTERS COLLECTED AND PROCESSED	— KG. (MILLIONS) — COLLECTED	— PROCESSED	KG. PER CAPITA	RECOVERY RATE
2022/23 Forecast	4.46	3.24	0.98	85.0%
2023/24 Target	4.50	3.28	0.98	85.9%
2024/25 Projection	4.46	3.31	0.97	84.2%
2025/26 Projection	4.41	3.34	0.95	82.5%

CONTAINERS COLLECTED AND PROCESSED	— KG. (MILLIONS) — COLLECTED	— PROCESSED	KG. PER CAPITA	RECOVERY RATE
2022/23 Forecast	2.18	1.77	0.48	87.1%
2023/24 Target	2.18	1.77	0.48	87.1%
2024/25 Projection	2.20	1.79	0.48	87.2%
2025/26 Projection	2.23	1.81	0.48	87.3%

**The goals of the programs include increasing recovery rates over time. In mature programs, fluctuations may occur over shorter periods. These fluctuations are created by market forces impacting the sales of new products and disposals of end-of-life products differently and with different timing.

See definitions on page 22 for KG. PER CAPITA, RECOVERY RATE and CAPTURE RATE.



EXTENDED PRODUCER RESPONSIBILITY (EPR) - OVERSIGHT OF SINGLE-USE PRODUCTS, PACKAGING, AND PAPER PRODUCTS (PPP), & HAZARDOUS AND SPECIAL PRODUCTS (HSP)

BACKGROUND

ARMA has always been supportive of a made-for-Alberta Extended Producer Responsibility (EPR) regulation and in October of 2022 ARMA was selected as the EPR oversight body by the Government of Alberta (regulation 194/2022).

EPR will standardize collection throughout the province, removing the need for municipalities to finance the recycling of materials while creating more jobs in Alberta. Its goal is to incentivize waste reduction from the very early stages of a product's life cycle—raw material extraction—right on through its development to the point of sale by shifting recycling costs away from our municipalities to the producers and manufacturers who supply those products into the marketplace.

EPR supports two product streams:

- Single-use Products, Packaging, and Paper Products (PPP); and
- Hazardous and Special Products (HSP), previously Household Hazardous Waste (HHW).

STRATEGIC PRIORITIES

ARMA is currently in the process of standing up the EPR program.

We have been charged with the development of the bylaws and are working in conjunction with the government on the first iteration. Once the bylaws are approved by our Board of Directors, we will provide notice to the Minister of Alberta Environment and Protected Areas in order to open registration for producers and collectors in the fall.

Building and developing our capacity as a modern, effective, and trusted oversight authority will be a top priority for the next two years. As a delegated oversight authority (on behalf of the province) our philosophy will be based on a view that ARMA must focus on objectives and expected environmental outcomes and then consider the most innovative, efficient, and effective method of supporting and achieving compliance.

We will adopt proactive approaches to support compliance based on assistance, guidance, education, and reporting, rather than solely focusing on investigation/compliance failures in order to build trust and support desired policy outcomes.

2023

EPR TIMELINES

The following timelines have been established for the transition, development, and implementation of Single-use Products, Packaging, and Paper Products (PPP); and Hazardous and Special Products (HSP).*



*Timelines are based on current projections and collaborations with the Government of Alberta.





GOALS

Results for the five goals and outcomes of the Strategic Priorities will be included in the 2022-2023 Annual Report.

2023-2026
BUSINESS PLAN



GOAL 1 - KEY METRICS

All designated materials available at End-Of-Life (EOL) are collected and processed.

Forecasts are set based on the trend of previous years' results and market expectations for both the annual sales of designated material and recycled material, as well as estimated alternative diversions (e.g., reuse).

Terminology utilized in this section:

1. KG. PER CAPITA

Volume of EOL material processed per Albertan, to allow for meaningful comparison between programs and jurisdictions.

2. RECOVERY RATE

The amount of EOL product collected or processed as a percent of the amount of new product purchased by consumers in a year.

The recovery rate is a useful target for tracking trends in changes to the recovery of materials over time. A higher rate is considered to indicate a successful program although a lower rate may indicate a successful diversion of materials through reuse options. Additionally, a lower rate could denote accumulation of products by consumers rather than recycling old units when new units are purchased (e.g., consumers retaining multiple electronic products).

3. CAPTURE RATE

This measurement is applicable to the paint and used oil programs where a portion of the material sold is consumed / utilized by the consumer, reducing the discarded volume.

The capture rate measures the total amount processed as a percent of an estimated total amount of material considered EOL.

The amount for EOL paint is assumed to be 12%. For example, if 100 litres of paint is sold, 12 litres (or 12%) will be EOL. If 8 litres is recovered that results in:

- a recovery rate of 8%
(8 litres recovered / 100 litres sold); or
- a capture rate of 66.7%
(8 litres recovered / 12 litres EOL)

Regarding used oil, the amount for EOL is assumed to be 64.5%. For example, if 100 litres of oil is sold, 64.5 litres (or 64.5%) will be EOL. This is based on industry estimates that 35.5% of oil sold is consumed during use.

GOAL 2 - SUSTAINABILITY

Ensure program sustainability by confirming environmental fees and funding rates are appropriate and effectively managed.

A key element to the success of the ARMA programs is sustainability. This includes the sustainability of processors managing the EOL materials in each program, municipalities and other collectors participating in the programs, and the operations of the programs themselves.

PERFORMANCE MEASURE

2.1 SUSTAINABILITY OF RECYCLING INDUSTRY

Verify that the current levels of program funding are adequate to sustain the collection and processing of designated materials within Alberta's recycling industry.

2.2 ENVIRONMENTAL FEE MANAGEMENT

Perform ongoing financial analysis and projections to support any required change in environmental fee levels to meet program goals, and ensure the sustainability and stability of the programs.

GOAL 3 - EFFECTIVENESS

Albertans' awareness of the programs, proximity to collection points and participation drive the success of the programs in effectively collecting and diverting EOL materials from landfill.

PERFORMANCE MEASURE

3.1 KEY STAKEHOLDER AWARENESS AND SUPPORT

Ensure key stakeholders are aware of ARMA programs and that the levels of awareness increase over time.

3.2 RESIDENTIAL PARTICIPATION AND ACCESS

Monitor access to facilities, including collection sites, voluntary return-to-retailers, and processor facilities, to ensure that Albertans have more access to recycling their EOL electronics, tires, paint, and used oil, filters, and containers.

3.3 INDUSTRIAL, COMMERCIAL AND INSTITUTIONAL (ICI) PARTICIPATION

Create opportunities in our stewardship programs to increase levels of ICI participation in order to increase awareness and recycling rates.

GOAL 4 - COMPLIANCE

Compliance with Regulation, Bylaws, requirements for suppliers, registered processors, downstream processors, collection sites and high environmental standards.

PERFORMANCE MEASURE

4.1 ENSURING REVENUE COMPLETENESS

Review the submissions of environmental fees by suppliers of designated materials to confirm compliance with the Regulation and with ARMA bylaws.

4.2 ENVIRONMENTAL ASSURANCE – PROCESSORS AND DOWNSTREAM PROCESSORS

Ensure that EOL materials are recycled to a high environmental standard. Registered processors and downstream processors must meet or exceed the Processor Incentive Program Requirements. This includes compliance with applicable environmental, occupational health and safety regulations as well as industry standards related to health and safety, transportation, and export.

4.3 ENVIRONMENTAL ASSURANCE – MUNICIPAL COLLECTION SITES

Ensure that municipal sites which receive ARMA grant funding meet or exceed the collection site requirements, consistent with the funding terms of the grant.

GOAL 5 - EPR IMPLEMENTATION

Establishing and contributing as an effective, modern regulatory oversight authority.

PERFORMANCE MEASURE

5.1 ENSURING THE SUCCESSFUL TRANSITION OF EPR

Work with the Government of Alberta to build upon the model bylaws, develop policies associated with EPR regulation, and ensure a timely transition.

5.2 ESTABLISHING AN EFFECTIVE OVERSIGHT AUTHORITY

Over the next two years, develop the infrastructure and knowledge necessary to support the implementation and future success of the regulation.

5.3 BUILDING INDUSTRY AWARENESS AND SUPPORT

Ensure ongoing consultations are done in a fair and transparent manner that is as efficient as possible, and create an effective registry system, to gain industry buy-in and support.

APPENDICES



STRATEGIC ACTION PLAN

1. Providing excellence in regulatory oversight.

Building and developing our capacity as a modern, effective, and trusted regulator will be “job 1” for 2023-25. Our emerging philosophy as a delegated regulator (on behalf of the province) will be based on a view that ARMA must focus on objectives and expected environmental outcomes and then consider the most innovative, efficient and effective method of supporting and achieving compliance.

We will adopt proactive approaches to support compliance based on assistance, guidance, education, and reporting, rather than solely focusing on investigation/compliance failures. We believe that this approach builds trust and supports desired policy outcomes.

2. Renewing our stewardship programs.

Opportunities to improve the quality and effectiveness of existing stewardship programs will be pursued in parallel to establishing ARMA as a regulator.

3. Building and nurturing government and industry (producer/processor/collection network) relationships

The work of ARMA increasingly requires that we lead with credibility and trust gained through strong, mutually beneficial relationships. Developing this competency and capacity in the organization is a priority.

4. Attracting results-focused innovation partnerships and joint ventures.

Growing our contributions to environmental and other public policy outcomes requires that we leverage our reputation, knowledge, and positioning to attract new, results-focused partners. This choice is about positioning ARMA as a sought-after partner to industry, entrepreneurs, universities, and governments seeking innovation, disruption, and advancement.

5. Delivering with a continuous improvement culture.

In light of our vision to inspire, all ARMA staff must be empowered to seek out and advance improvement opportunities. An aligned organizational culture is critical to achieving impact at the scale we envision.

KEY CAPABILITIES

These are the core areas of capacity and capability that will enable ARMA to succeed in accomplishing its vision and mission.

1. Establishing and contributing as an effective, modern regulatory oversight body.
2. A systematic approach to industry and government relations.
3. A systematic approach to partnership development and management.
4. A systematic approach to develop an improvement culture at all levels.



ELECTRONICS RECYCLING

2023/2024 Budget

	A	B	C
	BUDGET 23/24	FORECAST 22/23	BUDGET 22/23
Revenue			
Environmental fees	\$ 5,111,421	\$ 5,151,048	\$ 5,164,988
Other revenue	72,687	71,187	66,585
Total operating revenue	<u>5,184,108</u>	<u>5,222,235</u>	<u>5,231,573</u>
Operating expenditures			
Recycling incentive program	7,654,274	7,931,549	8,250,342
Recycling development programs	764,291	1,147,632	1,234,037
Program delivery costs	1,191,279	998,384	1,189,653
Total operating expenditures	<u>9,609,844</u>	<u>10,077,564</u>	<u>10,674,032</u>
Program margin	(4,425,736)	(4,855,329)	(5,442,459)
Corporate cost allocations	<u>1,159,101</u>	<u>921,743</u>	<u>1,013,053</u>
<i>Corporate cost allocations as % of total expenditures (includes pilot)</i>	7.3%	8.4%	8.7%
Total program expenditures	<u>10,768,945</u>	<u>10,999,307</u>	<u>11,687,085</u>
Operating revenue over (under) total expenditures	(5,584,837)	(5,777,072)	(6,455,512)
Investment income earned	<u>2,910,000</u>	<u>(1,705,401)</u>	<u>3,441,000</u>
Main program budget - change in net assets	<u>\$ (2,674,837)</u>	<u>\$ (7,482,473)</u>	<u>\$ (3,014,512)</u>
Expansion pilot expenditures	<u>\$ 5,015,000</u>	<u>\$ 5,050,000</u>	<u>\$ 8,184,455</u>
Overall - change in net assets	<u>\$ (7,689,837)</u>	<u>\$ (12,532,474)</u>	<u>\$ (11,198,967)</u>





PAINT RECYCLING

2023/2024 Budget

	A	B	C
	BUDGET 23/24	FORECAST 22/23	BUDGET 22/23
Revenue			
Environmental fees	\$ 6,224,213	\$ 6,174,455	\$ 5,864,757
Other revenue	23,430	23,430	20,279
Total operating revenue	<u>6,247,643</u>	<u>6,197,885</u>	<u>5,885,036</u>
Operating expenditures			
Recycling incentive program	5,367,439	5,345,419	4,872,524
Recycling development programs	77,149	62,879	105,043
Program delivery costs	433,400	482,805	483,156
Total operating expenditures	<u>5,877,988</u>	<u>5,891,102</u>	<u>5,460,723</u>
Program margin	369,655	306,783	424,313
Corporate cost allocations	408,904	327,500	358,956
<i>Corporate cost allocations as % of total expenditures</i>	6.5%	5.3%	6.2%
Total program expenditures	<u>6,286,892</u>	<u>6,218,602</u>	<u>5,819,679</u>
Operating revenue over (under) total expenditures	(39,249)	(20,717)	65,357
Investment income earned	<u>50,000</u>	<u>75,000</u>	<u>27,500</u>
Change in net assets	<u>\$ 10,751</u>	<u>\$ 54,283</u>	<u>\$ 92,857</u>





TIRE RECYCLING

2023/2024 Budget

	A	B	C
	BUDGET 2023/24	FORECAST 2022/23	BUDGET 2022/23
Revenue			
Environmental fees	\$ 27,961,441	\$ 28,441,134	\$ 26,852,830
Other revenue	106,736	185,085	92,385
Total operating revenue	<u>28,068,177</u>	<u>28,626,219</u>	<u>26,945,215</u>
Operating expenditures			
Recycling incentive program	26,892,831	25,685,625	23,347,538
Recycling development programs	268,233	275,427	390,474
Program delivery costs	1,741,140	1,396,123	1,644,901
Total operating expenditures	<u>28,902,204</u>	<u>27,357,175</u>	<u>25,382,913</u>
Program margin	(834,027)	1,269,044	1,562,302
Corporate cost allocations	<u>1,802,651</u>	<u>1,434,175</u>	<u>1,567,301</u>
<i>Corporate cost allocations as % of total expenditures</i>	5.9%	5.0%	5.8%
Total program expenditures	<u>30,704,855</u>	<u>28,791,350</u>	<u>26,950,214</u>
Operating revenue over (under) total expenditures	(2,636,678)	(165,130)	(4,999)
Investment income earned	<u>862,000</u>	<u>(443,094)</u>	<u>889,000</u>
Change in net assets	<u>\$ (1,774,678)</u>	<u>\$ (608,224)</u>	<u>\$ 884,001</u>





USED OIL & MATERIALS RECYCLING

2023/2024 Budget

	A	B	C
	BUDGET 2023/24	FORECAST 2022/23	BUDGET 2022/23
Revenue			
Environmental fees	\$ 16,088,379	\$ 16,010,442	\$ 15,305,801
Other revenue	62,480	62,480	58,585
Total operating revenue	<u>16,150,859</u>	<u>16,072,922</u>	<u>15,364,386</u>
Operating expenditures			
Recycling incentive program	14,111,574	13,506,305	13,058,086
Recycling development programs	155,961	159,895	189,983
Program delivery costs	<u>1,271,904</u>	<u>1,118,935</u>	<u>1,246,978</u>
Total operating expenditures	<u>15,539,439</u>	<u>14,785,135</u>	<u>14,495,047</u>
Program margin	611,420	1,287,787	869,339
Corporate cost allocations	<u>1,067,503</u>	<u>850,849</u>	<u>934,231</u>
<i>Corporate cost allocations as % of total expenditures</i>	6.4%	5.4%	6.1%
Total program expenditures	<u>16,606,942</u>	<u>15,635,984</u>	<u>15,429,278</u>
Operating revenue over (under) total expenditures	(456,083)	436,938	(64,892)
Investment income earned	<u>189,000</u>	<u>(241,000)</u>	<u>193,500</u>
Change in net assets	<u>\$ (267,083)</u>	<u>\$ 195,938</u>	<u>\$ 128,608</u>

ACCOUNTABILITY STATEMENT

The Alberta Recycling Management Authority (ARMA) Business Plan for the three years commencing April 1, 2023 was prepared in accordance with the requirements found in Section 16 of the Designated Material Recycling and Management Regulation (Alberta Regulation 93/2004), which was enacted under the Environmental Protection and Enhancement Act.

The mission, core business, goals and strategies of the ARMA Business Plan align with and contribute to Alberta Environment and Protected Areas Business Plan, and therefore the Government's goals and objectives. ARMA is committed to achieving the performance targets identified in the Business Plan.

We benefit in doing so with an innovative approach to environmental stewardship and oversight marked by:

- being steadfast in commitment to our mandate and open to exploring new ideas, products, services, and systems;
- multiple programs managed jointly but operated separately to achieve synergies and cost-effectiveness;
- stakeholder stewardship—working with those directly involved in or impacted by end-of-life management of the products we currently manage and potential additional products including: the industries that manufacture and sell them; Albertans that use and discard them; municipalities and Indigenous communities that collect them for recycling, and the environmental organizations that advocate recycling—all guide and/or influence the policies and programs.

- regulation oversight—as a delegated oversight authority (on behalf of the province), working with those directly involved in or impacted by end-of-life management of the designated materials including: the industries that manufacture and sell them; municipalities and Indigenous communities that collect them for recycling, and the environmental organizations that advocate recycling—all guide and/or influence the policies and programs.

Approved by ARMA's Board of Directors,
February 28, 2023



Brad Pickering,
Chair

HOUSEHOLD HAZARDOUS WASTE (HHW)

Since 2004, ARMA has administered funding on a contract basis with Alberta Environment and Protected Areas to HHW brokers for the pick-up, consolidation, lab packing and transportation of eligible material from HHW roundups or year-round sites to approved facilities for destruction. This funding is provided on a per kilogram basis.

Funding is also provided for the recycling of HHW aerosols.

ARMA supports the Government of Alberta in their commitment to supporting Albertans with access to appropriate disposal options for HHW and the transition to Extended Producer Responsibility as a long-term solution for HSP management.

In the interim, we will continue to manage the HHW program for the provincial government including working with collectors to identify additional facilities as needed for material treatment and destruction.



albertarecycling.ca

